



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **FORMER PAYROLL CLERK PLEADS GUILTY TO \$611,940 BANK FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former Kansas City, Mo., payroll clerk pleaded guilty in federal court today to a check writing scheme that defrauded US Bank of approximately \$611,940.22.

**Sherri Lynn Fuel**, 40, of Kansas City, waived her right to a grand jury indictment and pleaded guilty before U.S. District Judge Fernando J. Gaitan this morning to a federal information charging her with bank fraud.

By pleading guilty, **Fuel** admitted that she executed a scheme to defraud US Bank between Nov. 13, 1998, and May 12, 2003, in Kansas City.

**Fuel** was employed as a payroll clerk for Malco Construction, Inc., also known as Malco Steel, a business that supplies reinforcement steel to commercial contractors in Kansas City. Her duties included processing mail, processing and administering the company's payroll, writing checks, reconciling the checkbook and accounting records, computing and paying payroll taxes, managing accounts payable and paying the company's bills.

In carrying out the scheme to defraud US Bank, **Fuel** embezzled funds from Malco by writing duplicate payroll checks to employees and separating the duplicate checks so that one of the owners received a pile of actual checks to sign and another owner received another pile of fraudulent duplicate checks to sign. After the duplicate checks were signed, Graves said, **Fuel** removed the fraudulent duplicate checks and disbursed the legitimate checks. She then would forge endorsements on the fraudulent duplicate checks and deposit them into her personal account at Bank of America or in the accounts of her niece.

When questioned by the company's owners about the fraudulent duplicate checks, **Fuel** claimed that she erroneously left hours off a previously written check and had to write a second

check to correct her error.

By pleading guilty, **Fuel** also admitted that she wrote fraudulent payroll checks to former employees and to herself and forged signatures of the company's owners in order to cash or deposit them into her personal account.

In an attempt to conceal her scheme to defraud Malco, **Fuel** intercepted mail from US Bank, the Internal Revenue Service, the Child Support Administration, the Missouri Division of Unemployment and other entities. At the year's end, **Fuel** also wrote W-2 and 1099 Forms that falsely stated the income received by employees and others. Although most employees did not realize the error, on occasion some employees approached **Fuel** about the overstatement at which time she would correct the information.

Throughout the course of the scheme, **Fuel** admitted that she wrote approximately 867 checks on the company's payroll account at US Bank in the total amount of \$611,940.22.

Under federal law, Graves explained, **Fuel** may be subject to a maximum sentence of up to 30 years in federal prison without parole, plus a fine up to \$1 million and an order of restitution in the amount of \$611,940.22.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Federal Bureau of Investigation.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at  
[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)